

REMARKS

Claims 1-37 are pending in this application. The Examiner rejected claims 1-37. The Applicant is canceling claims 1-37. The Applicant is adding new claims 38-91. The Applicant submits that no new matter has been added by way of this Response and kindly requests (re)consideration and allowance of the claims.

Rejections Under 35 U.S.C. § 101

The Examiner rejected claims 1-8, 14-16 and 31-37 under 35 U.S.C. § 101 asserting that the claimed invention is directed to non-statutory subject matter. The Examiner asserted that

[t]he independently claimed steps of creating a list of partners, creating an invitee list and issuing credit to the clients are abstract ideas which can be performed mentally without interaction of a physical structure or are mere data storage devices that do not implement a useful, concrete and tangible result of a machine.

The Applicant respectfully traverses. The claimed invention as whole must produce a “useful, concrete and tangible result.” M.P.E.P. § 2106, p. 2100-5; *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F.3d 1368, 1373, 47 USPQ2d 1596, 1601-1602 (Fed. Cir. 1998). Moreover, the M.P.E.P. states that

[T]ransformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical

algorithm, formula, or calculation, because it produces 'a useful, concrete and tangible result' – a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades." *Id* at 2100-6, 1601.

The Applicant respectfully submits that the independent claims, and the claims that depend therefrom, refer to a useful, concrete and tangible result.

Further, M.P.E.P. § 2106 states that

[a] process that consists solely of the manipulation of an abstract idea is not concrete or tangible . . . Office personnel have the burden to establish a *prima facie* case that the claimed invention as a whole is directed to solely an abstract idea or to a manipulation of abstract ideas or does not produce a useful result. Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under 35 U.S.C. 101. M.P.E.P. § 2106, p. 2100-7.

The Applicant respectfully submits that the Examiner has not met the burden of establishing a *prima facie* case that the claimed invention as a whole is directed to solely an abstract idea or to a manipulation of abstract ideas or does not produce a useful result.

Moreover, the Applicant has rewritten the independent claims to recite that one or more steps are accomplished "utilizing a network." Accordingly, the Applicant respectfully submits that the remaining claims at issue are directed toward statutory subject matter under 35 U.S.C. § 101.

Rejections Under 35 U.S.C. § 103

The Examiner rejected claims 1, 3-9, 11-14, 20-31 and 33-37 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Publication Number US 2002/0032602 A1 to Lanzillo, JR. et al. (hereinafter "*Lanzillo*") in view of U.S. Patent Number 6,035,281 to Crosskey et al. (hereinafter "*Crosskey*").

The Applicant has amended the independent claims to elucidate the fact that there are two or more types of subscriptions in the present application. A "partner subscription" is, in one embodiment, a subscription plan with a predetermined formula for at least one partner that represents a subscription cost of at least one partner allowing the at least one partner to use a hosted enterprise application to collaborate with others in at least one collaboration community to which a paying partner belongs. (See Specification; FIGS. 2 and 3). A "host subscription" is, in one embodiment, a subscription plan with a predetermined formula for a client that represents a subscription cost for a client and its partners of a collaboration community that the client defines. (See Specification; FIG. 3). Therefore, the present system allows a client to offset fees for a host subscription with a collaboration community via the mechanism of partner subscriptions. A "subscriber" is, in one embodiment, a partner that buys a partner subscription. (See Specification; FIGS. 2, 3 and definition section) A "non-subscriber" is, in one embodiment, a partner that does not buy a partner subscription. Values (e.g., bonuses, etc.) are generated, which can be zero, positive or negative. These values can be used as an offset against client subscription fees.

Lanzillo is deficient as it does not teach or even suggest such a system. *Crosskey* does not cure the deficiencies of *Lanzillo*. Accordingly, the claims at issue are allowable over *Lanzillo* in view of *Crosskey*.

The Applicant respectfully requests that the Examiner enter this Response, (re)consider the pending claims and issue a Notice of Allowance. If the Examiner believes a telephone conference would expedite prosecution of this application, the Applicant requests that the Examiner telephone the undersigned at the number below.

Respectfully submitted,

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Date: 1/22/03

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